



Office of the State Controller

*Enhancing Accountability in Government through Leadership and Education*



# **EAGLE Training Program for Community Colleges**

Introduction: EAGLE Program Overview

October 6, 2010

David McCoy  
State Controller

# Introduction

- What is EAGLE?
- What is the Purpose of EAGLE?
- What is Internal Control?
- Benefits of Strong and Effective Internal Controls
- Internal Control Frameworks Used by the EAGLE Program
- What are Your Responsibilities?
- What are OSC's Responsibilities?
- Review of Today's Agenda

# What is EAGLE?

- EAGLE: Enhancing Accountability in Government through Leadership and Education.
- Resulted from the passage of House Bill 1551 during 2007 session of the General Assembly.
- North Carolina's internal control program – established by the Office of the State Controller (OSC) in response to the requirements of House Bill 1551.

# What is EAGLE? – House Bill 1551

Establishes the following responsibilities and requirements:

- *The State Controller, in consultation with the State Auditor, shall establish comprehensive standards, policies and procedures to ensure a strong and effective system of internal control within State government.*
- *The management of each State agency bears full responsibility for establishing and maintaining a proper system of internal control within that agency. Each principal executive officer and each principal fiscal officer shall annually certify...that the agency has in place a proper system of internal control.*
- *Each State agency shall maintain documentation, as prescribed by the State Controller, of the system of internal control within that agency. All internal control documentation shall be available upon request for examination by the State Controller and State Auditor.*



# What is the Purpose of EAGLE?

- To assist colleges in complying with the requirements of House Bill 1551.
- To establish internal control standards for State government.
- To increase fiscal accountability within State government.

# What is Internal Control?

Internal control is a process, effected by an entity's governing body, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Effectiveness and efficiency of operations

# Benefits of Strong Internal Controls

Keep Us Out of Trouble

Make Our Colleges Better

goal

Inaccurate  
Financial  
Reporting

State Auditor  
Findings

Enhanced and  
Coordinated  
Risk  
Management  
Activities

Ability to  
Deliver  
Efficient and  
Cost Effective  
Services

Larger Fines and  
Settlements

HIPAA  
Requirements

Improved Risk  
Reporting and  
Disclosure

Standardizing  
Procedures  
Across State  
Agencies

Expanded  
Regulation

Reputational  
Consequences

State Budget  
Constraints

Enhanced  
Technologies

Reduced Total  
Operating  
Expenses





# Internal Control Frameworks

## Financial Reporting

- COSO (Committee of Sponsoring Organizations of the Treadway Commission).
- COBIT (Control Objectives for Information and Related Technology), which was issued by the IT Governance Institute.

## Compliance

- *“Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations”, published by the Federal Office of Management and Budget.*



# Your Responsibilities

- Comply with the statutory requirements of the *State Governmental Accountability and Internal Control Act* (N.C.G.S. Chapter 143D) through implementation of the EAGLE Program or another OSC-approved methodology.
- Complete your self-assessment and submit the annual “Letter of Certification” to OSC by July 31, 2011.

# OSC's Responsibilities

- Self-Assessment Methodology and Tools
  - Templates, Case Studies, Guidance Manual, etc.
- Regional Training Sessions
  - Lenoir Community College – October 11<sup>th</sup> and 12<sup>th</sup>
  - Randolph Community College – October 20<sup>th</sup> and 21<sup>st</sup>
  - Western Piedmont Community College – October 25<sup>th</sup> and 26<sup>th</sup>
- On-going Assistance
  - Risk Mitigation Services Liaison (consultation assistance provided via conference calls and via webinar software)
- On-going Monitoring
  - Periodic follow-up with Internal Control Officer
  - Staff review and feedback

# Today's Agenda

<u>Estimated Time</u>	<u>Section</u>
10:00 – 10:10	Section1: Introduction - Ben McLawhorn
10:10 – 10:40	Section 2: Financial and Compliance Risk Assessment – Wynona Cash
10:40 – 11:00	Section 3: Documentation of Processes and Controls – Amanda Williams
11:00 – 11:30	Section 4: Testing Theory and Strategy – Jennifer Trivette
11:30 – 11:40	Section 5: Performance Measures – Wynona Cash
11:40 – 11:50	Section 6: SharePoint Demonstration – Josh Georghiou
11:50 – noon	Section 7: Wrap-up – Ben McLawhorn



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# EAGLE Training Program for Community Colleges

Section 2: Financial and Compliance Risk Assessment

# Top-Down, Risk-Based

- Is an approach to conducting an Internal Control Assessment that:
  - Identifies the **risks** related to reliable financial reporting and compliance with applicable laws and regulations
  - Identifies the combination of **controls** that addresses those risks
  - Evaluates the evidence necessary to conclude on the **effectiveness** of such controls
- The approach rests on the premise that not all risks are equal, and management's effort should be tailored according to the nature of the identified level of risk.

# Top-Down, Risk-Based Approach

Financial Risk Assessment			Compliance Risk Assessment		
Template 01 –A	Assess risk at the financial statement account level.		Template 01 –B	Assess risk for the program/grant.	
	Assess risk at the financial statement process level.			Assess risk for each requirement.	
	Assess risk at the financial statement location level, if applicable.				
Risk Assertion Guidance	Review Financial Statement Assertions Guidance		Compliance Guidance	Review Compliance Internal Control Guidance	
Identify Controls					
Template 02	Narrative - Document the applicable processes/compliance requirements.				
Template 03	Walkthrough - Walk through the applicable processes/compliance requirements.				
Template 04	Service Provider/Reliance on Others - Identify and document reliance on others.				
Template 05	Risk and Control Matrix - Identify the “right” combination of controls.				
Evaluate and Execute					
Template 06	Test Plan - Determine the testing selections for applicable controls.				
Template 06	Test Leadsheet - Perform testing of selected controls.				
Template 07	Issue Summary Log - Document issues and management’s response.				
Performance Measures					
Template 08	General Accounting				
Template 09	Student Financial Aid				
Template 10	Federal Contracts & Grants				
Template 11	Procurement				
Internal Control Certification					
Internal Control Certification Letter Due 7/31/2011	Each president and chief financial officer shall annually certify, in a manner prescribed by the State Controller, that the college has in place a proper system of internal control.				



# Determine Scope of Assessment

What is in scope for EAGLE implementation?

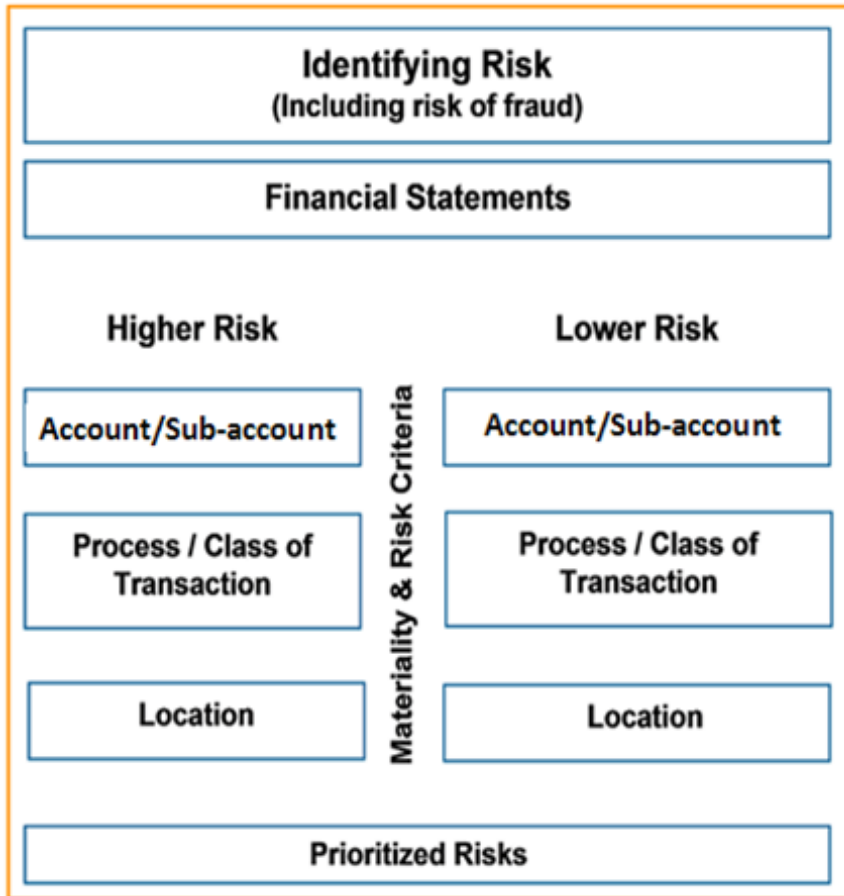
- For **Year One** of EAGLE Compliance, colleges are required to document and assess internal control within those accounts and programs/grants with a combined total risk rating of High.
- For **Year Two** of EAGLE Compliance, colleges are required to document and assess internal control within those accounts and programs/grants with a combined total risk rating of High or Moderate.



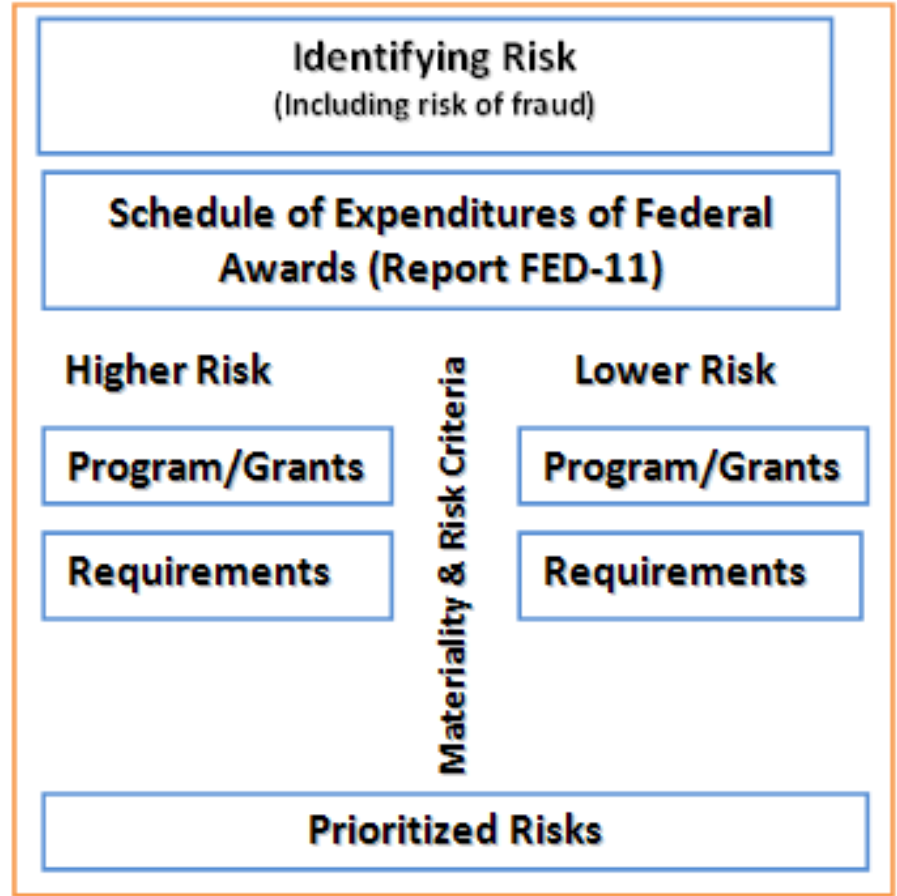
# What is a Risk Assessment?

A **Risk Assessment** helps an organization prioritize its financial reporting and compliance with laws and regulations risk in order to be more efficient with its documentation and testing efforts by focusing the majority of efforts on the highest risk areas.

# Financial Reporting



# Compliance



# Components of the Financial Risk Assessment

## Account Risk

- Size and Composition
- Transaction Volume
- Transaction Complexity
- Subjectivity and Estimation
- Inherent Risk

## Process Risk

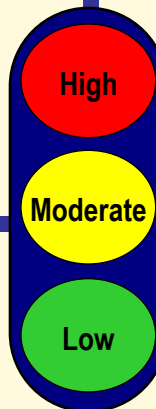
- Size and Composition
- Susceptibility to Loss due to Error or Fraud
- Complexity of Transactions
- Similarity of Transactions
- Level of IT Dependency and Manual Processing
- Degree of Subjectivity and Estimation

## Location Risk

- Prior Year Issues
- IT Environment
- Complexity of Business and Accounting Transactions
- Changes in Business or Accounting Transactions
- Quantitative Significance

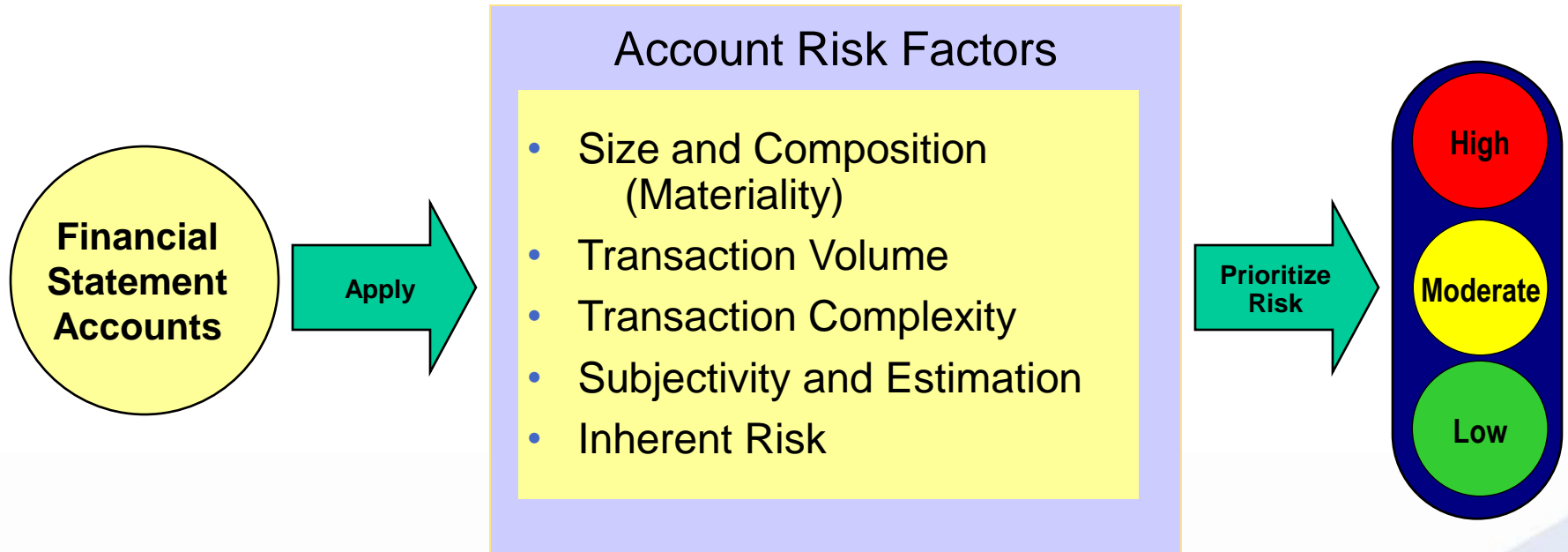
## Financial Statement Assertion Guidance

- Completeness
- Existence or Occurrence
- Valuation or Allocation
- Rights and Obligations
- Presentation and Disclosure



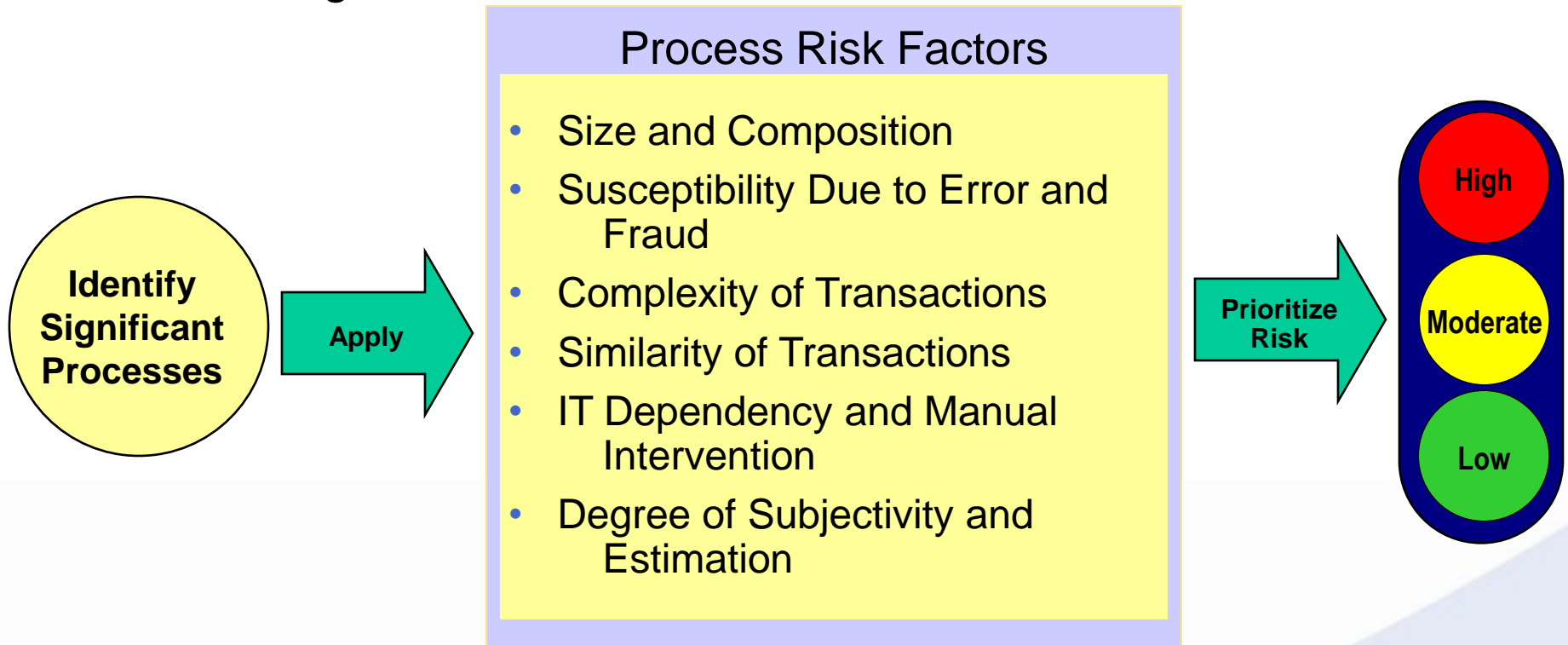
# Account Risk Factors

Purpose: To assess the risk at the financial statement account level.



# Process Risk Factors

Purpose: To identify significant processes, based on risk factors, related to significant accounts.



For all High Risk Financial Statement Accounts, you will identify the significant processes and rate the risk using the above criteria.

# Location Risk Factors

Purpose: To assess the risk by location to determine which locations represent the highest risk and consequently require the most effort to test.



For all High Risk Financial Statement Accounts with Significant Process that have multiple locations, you will rate the risk for each location using the above criteria.

# Financial Statement Assertions

**Existence** - An asset or liability exists at a given date.

**Occurrence** - A recorded transaction or event that pertains to the organization actually took place during the period.

**Valuation** - An asset or liability is recorded at an appropriate carrying value.

**Measurement** - A transaction or event is recorded at the proper amount and revenue or expense is allocated to the proper period.

**Completeness** - There are no unrecorded assets, liabilities, transactions or events, or undisclosed items.

**Rights and Obligations** - An asset or liability pertains to the organization at a given date.

**Presentation and Disclosure** - An item is classified, described and disclosed in accordance with applicable statutory accounting requirements.

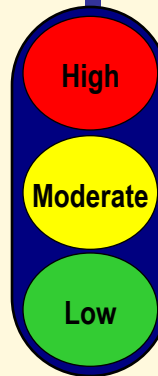
See Template 1 A



# Components of the Compliance Risk Assessment

## Program/Grant Risk Assessment

- Size and Composition (Materiality)
- Program/Grant Complexity
- Inherent Risk

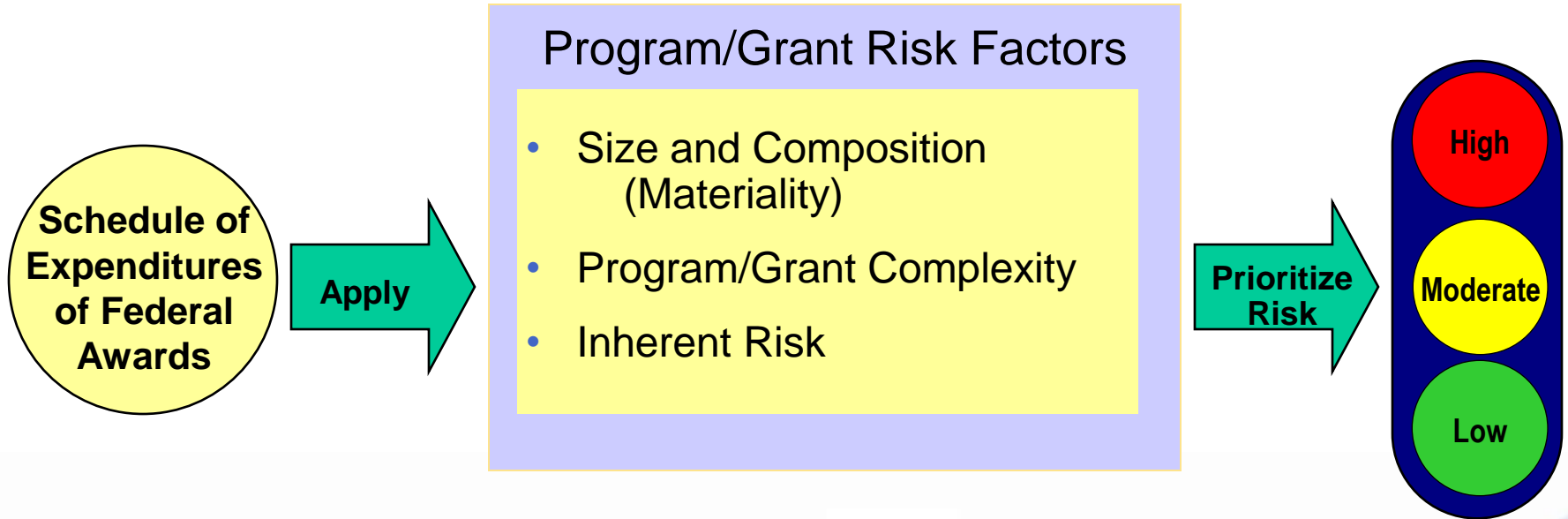


## Requirement Risk Assessment

- Compliance Requirement
- Size and Composition
- Complexity of Requirement
- Susceptibility Due to Error / Fraud

# Program/Grant Risk Factors

Purpose: To assess the risk at the program.



# Requirement Risk Assessment

Purpose: Determine if the requirement is applicable by reviewing the matrix on the Circular A-133 tab.

**Program/Grant  
Risk  
Assessment**

**Review**

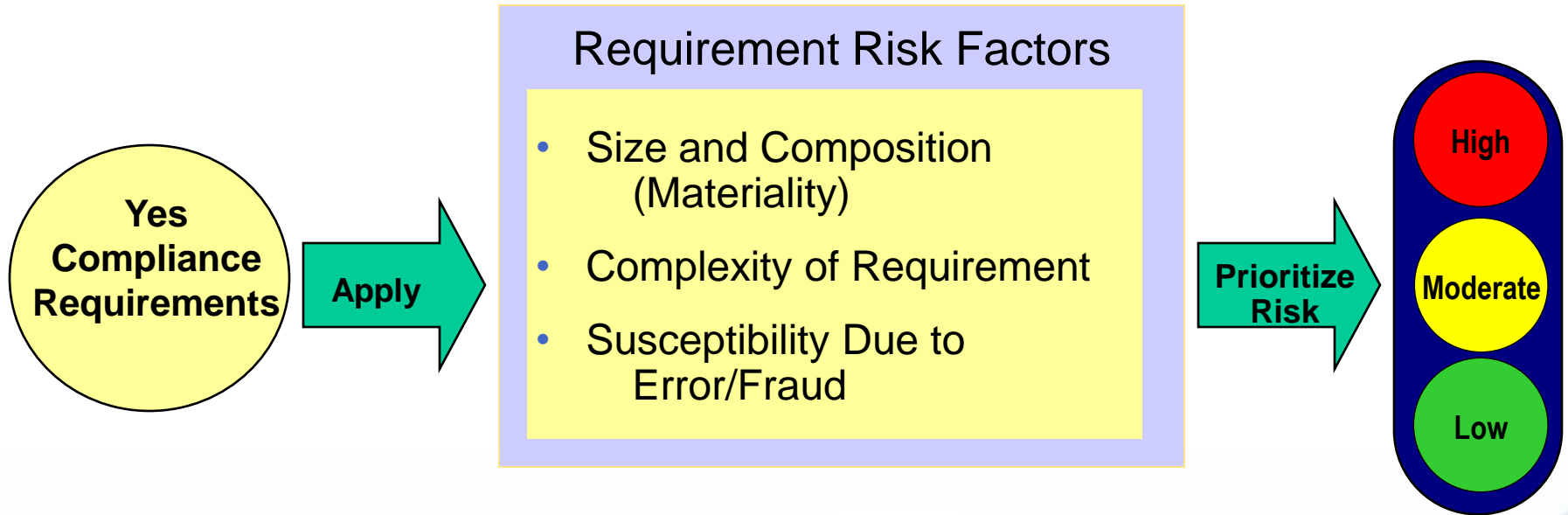
## Types of Compliance Requirements

- Activities Allowed or Unallowed
- Allowable Costs/Cost Principles
- Cash Management
- Davis-Bacon Act
- Eligibility
- Equipment and Real Property Management
- Matching, Level of Effort, Earmarking
- Period of Availability of Federal Funds
- Procurement and Suspension and Debarment
- Program Income
- Real Property Acquisition/Relocation Assistance
- Reporting
- Subrecipient Monitoring
- Special Tests and Provisions
- Special Tests and Provisions (ARRA)

**Apply  
Yes/No**

# Requirement Risk Factors

Purpose: To assess the risk of the program at compliance requirement level.



See Template 1 B



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# EAGLE Training Program for Community Colleges

Section 3: Identify Controls

# Top-Down, Risk-Based Approach

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	Assess risk at the financial statement process level.				
	Assess risk at the financial statement location level, if applicable.				
Risk Assertion Guidance	Review Financial Statement Assertions Guidance		Compliance Guidance	Review Compliance Internal Control Guidance	
Identify Controls					
Template 02	Narrative - Document the applicable processes/compliance requirements.				
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Performance Measures					
Template 08	General Accounting				
Template 09	Student Financial Aid				
Template 10	Federal Contracts & Grants				
Template 11	Procurement				
Internal Control Certification					
Internal Control Certification Letter Due 7/31/2011	Each president and chief financial officer shall annually certify, in a manner prescribed by the State Controller, that the college has in place a proper system of internal control.				

# What is a Narrative?

A **narrative** is a written description of a process / compliance requirement.



# What is the Purpose of a Narrative?

- To provide evidence of understanding
- To help identify and document:
  - Risks
  - Controls
  - Control gaps
    - Weaknesses
    - Deficiencies

# How do we Write a Narrative?

- Collect available background information.
  - Existing Documentation
  - Policies and Procedures
  - Discussions with Key Personnel
- Only include relevant information.
- Assign control reference numbers.

# Financial Narrative – Template 2

EAGLE Program  
Narrative Template  
*College Name*

Template 02

Account(s):

Significant Process:

Significant Process Risk Rating:

Supporting Systems / Application(s):

This document provides a description of the above Significant Process as of FYE 6/30/2011. Internal controls are *Italicized*, Critical Controls are **Bolded** and control weaknesses are underlined.

---

Input: (*Beginning of process*)

Output: (*End of process*)

*Enter narrative here.*

*Source(s):*

*Prepared by:*

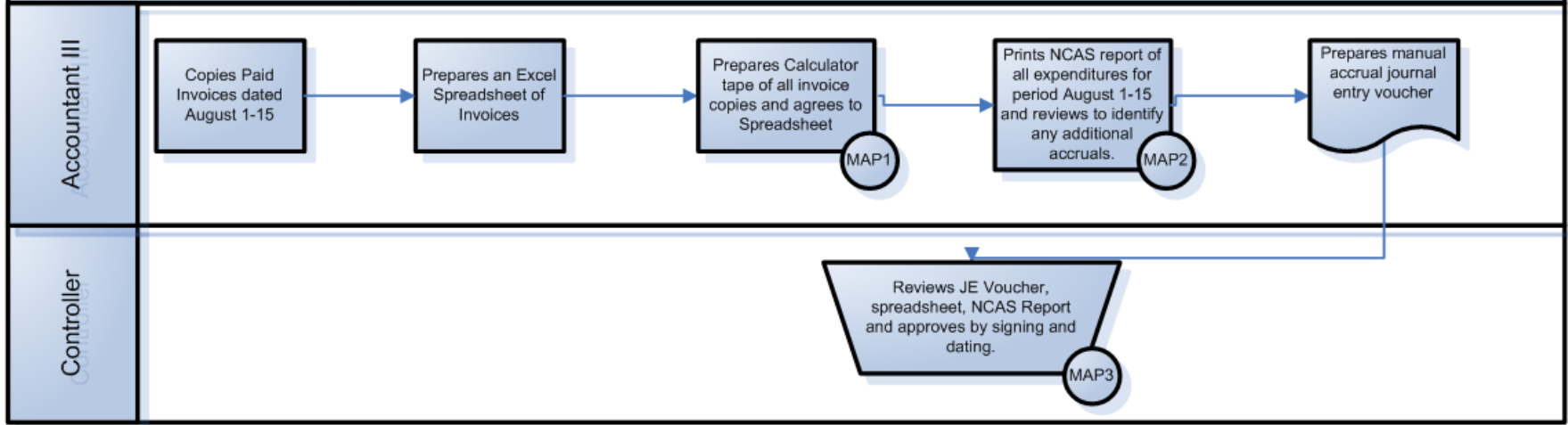
*Interview Date:*

# What is a Flowchart?

A **flowchart** is a diagram that shows the step-by-step progression through a process or compliance requirement. A flowchart may be used in place of, or in addition to, the narrative.

# Flowchart Example

Account: Accounts Payable  
Related Significant Process: Determine manual AP accrual amount  
Application: NCAS AP Module



MAP1

Accountant III reconciles all invoices to excel spreadsheet.

MAP2

Accountant III prints and reviews NCAS report for any additional accruals.

MAP3

Accountant III forwards the JE Voucher, spreadsheet, NCAS Report and all supporting documents to Controller who reviews the documentation and approves by signing and dating.

# Identify Controls

Control descriptions should include the following details:

How?	<p>How is the control performed?</p> <ul style="list-style-type: none"><li>— Be specific to the procedures performed.</li><li>— Include details of report names or systems used.</li></ul>
What?	<p>What does the control seek to do?</p> <ul style="list-style-type: none"><li>— Consider whether the control is designed effectively to mitigate these risks.</li><li>— What is the evidence that the control is working?</li><li>— How do they know when the control is not working?</li></ul>

# Identify Controls (Cont.)

Who?	<p>Who performs the control?</p> <ul style="list-style-type: none"><li>– Use job titles, not a person's name.</li><li>– Who performs the control in the person's absence?</li><li>– Is there sufficient segregation of duties?</li></ul>
When?	<p>When is the control performed?</p> <ul style="list-style-type: none"><li>– Are there any dependencies which must be performed prior to the control operating?</li><li>– Can the control be bypassed and processing continue?</li><li>– What is the frequency of the control (e.g., daily, annually)?</li></ul>



# Types of Controls

- Prevent - Stop something from going wrong
  - Ex. Approval of invoices before processing
- Detect - Find and correct errors
  - Ex. Review of exception reports
- Manual - Performed manually
  - Ex. Comparison of cash counts to daily report
- Automated - Performed by a computer
  - Ex. System edit checks

# What is a Walkthrough?

A **walkthrough** traces one representative transaction through a process from beginning to end.

# What is the Purpose of a Walkthrough?

- To confirm:
  - Understanding of procedures
  - Understanding of relevant controls
  - Relevant controls have been placed into operation
  - Documentation

# How do we Perform a Walkthrough?

- Select a transaction that occurred during the current fiscal year.
- Perform a walkthrough for each type of transaction.
- Walk through all procedures and controls (automated and manual) for the transaction.
  - Look for authentication and evidence of the control (signoff, notations, etc.)
  - When possible walk through procedures and controls as they occur.

# Financial Walkthrough – Template 3

**EAGLE Program**  
**Walkthrough Template**  
*College Name*

**Template 03**

**Account(s):**

**Significant Process:**

**Significant Process Risk Rating:**

**Supporting Application(s):**

This walkthrough assists in documenting our understanding of the design of controls. We are documenting the procedures performed, evidence obtained and conclusions as to the effective design of the underlying controls and whether the controls have been implemented. Select a transaction that has occurred within the current Fiscal Year and walkthrough all controls listed on the narrative template (template 02).

**Control Owner's Title:**

**Interview Date:**

**Walkthrough Performed by:**

---

**Control Description:** (*Control Ref#*)

**Transaction Selection:**

**Procedures to Perform:**

**Results:**

**Conclusion:**

# What is a Service Provider?

A **service provider** is an organization that performs services on behalf of another entity. These activities are outside of the college's responsibility.

# Types of Service Providers

- Central Management Agency
  - A service agency that provides services that impact an agency's internal control environment.
  - Example: Community College System Office
- Third-Party Service Organization
  - External providers that perform specific tasks or replace entire business units or functions of a college
  - Obtain a SAS 70, Type II report



# Service Provider/Reliance on Others – Template 5

Service Provider Inventory Template				
Significant Process	Service Provider	Service Type	SAS 70, Type II available?	Additional Information
Colleague program changes	NCCCS	Central Mgmt		

# What is a Risk and Control Matrix?

A Risk and Control Matrix (**RACM**) is a table that documents risks, controls and the type and nature of controls. It allows for the identification of control gaps and unmitigated risks, and assists in developing testing strategies.

# Financial Risk and Control Matrix (RACM) – Template 5

<b>Document:</b>	Risk and Control Matrix
<b>Entity:</b>	College Name
<b>Reporting Date:</b>	
<b>Financial Statement Account(s):</b>	
<b>Systems / Application(s):</b>	

Prepared by:	
Reviewed by:	

[illegible]

# Identify Risks

- A risk is “what could go wrong” that could lead to a financial misstatement or non-compliance with rules and regulations.
- Risk statements should read as if something went wrong and include the resulting impact (or lost opportunity).
  - Example: Unauthorized changes are made to the payroll master data resulting in payments to fictitious employees and an overstatement of expenses.



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# EAGLE Training Program for Community Colleges

Section 4: Evaluate and Execute

# Top-Down, Risk-Based Approach

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Template 10	Federal Contracts & Grants				
Template 11	Procurement				
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# Role of the College in the Evaluation Phase

Each college will need to test controls as part of this assessment to determine whether the controls are operating as designed (i.e., operating effectiveness).



# Develop the Test Strategy

Testing occurs at two key stages of a review:

- Design effectiveness
  - Perform walkthrough (i.e., test of one)
  - Collect evidence

*Note: From walkthrough and knowledge of the process and programs/grants, if it is determined that the control is not designed effectively, do not continue testing, report on Issue Summary Log.*

- Operating effectiveness
  - Select critical controls
  - Execute tests of controls

# Common Procedures For Testing

Determine Nature, Extent and Timing (“NET”) of Testing:

- Nature - How to test
- Extent - How much to test
- Timing - When to test

Note: Nature, Extent and Timing of testing should vary based on the assessed level of risk.

# Nature of Testing



## Testing Techniques

- Typically, combination of techniques will be necessary.
- Since inquiry and observation alone generally will not provide sufficient evidence, tests of controls should also include reperformance or inspection of evidence resulting from the operation of the control.

# Extent of Testing

- What factors should be considered when deciding the extent of testing?
  - How often the control is performed
  - Number of significant risks to which control relates
  - Nature of control (prevent or detect)
  - Type of control (manual or automated)
  - Persuasiveness of the evidence
  - Sampling strategy
  - Testing period

# Timing of Testing

- When to test and the time period to be covered depends on:
  - Nature of the control
  - Frequency with which specific control operates
  - Matter of judgment
- Remember: The purpose is to evaluate controls over a period of time that is adequate to determine whether controls are operating effectively.

# Writing the Test Plan

The test plan should include:

- Objective of the test
- Testing procedures

Complete after testing:

- Results
- Conclusion
- Issue raised
- Test workpaper reference

# Financial Test Plan – Template 6

## EAGLE Program

Document:	Test Plan
Entity:	College Name
Reporting Date:	June 30, 2011
Fund:	
Financial Statement Account(s):	

Prepared by:	
Reviewed by:	

						Complete after testing			
Significant Process	Process Risk Rating	Control Description	Control Ref. #	Objective of Test	Test Procedures	Results	Conclusion	Issue Raised?	Test W/P Ref.
							<Select Answer>	<Select Answer>	
							<Select Answer>	<Select Answer>	
							<Select Answer>	<Select Answer>	
							<Select Answer>	<Select Answer>	



# Execute Tests

- Select sample before testing starts.
  - Do not modify or manipulate once sample is selected.

# Sample Size Guidance – Template 6

## SAMPLE SIZE GUIDANCE TABLE

Below is the recommended sample size table to be used based on level of risk:

Estimated Population	Frequency of Control	Range of Sample Size	Risk Level		
			Low	Moderate	High
More than 250	More than daily/ Continuous	25	25	25*	25**
61-249	Daily	15-25	15	20	25
40-60	Weekly	5-10	5	7	10
20-39	Bi-Weekly/ Semi-Monthly	3-7	3	5	7
12-19	Monthly	2-4	2	3	4
4-11	Quarterly	2	2	2	2
1-3	Annually	1	1	1	1
N/A	Automated	1	1	3	4

Note1: The risk assessment for a specific process or compliance requirement is based on the judgment of the assessment team and represents the level of complexity, routineness, centralization, and automation.

Note 2: For controls with a frequency of "As needed" or "Event Based", use the "Range of Sample Size" guidance above that is closest to the estimated population. For example, if a control occurs as needed and the actual or estimated population equals 45 occurrences, then our sample size guidance indicates we should follow the "Weekly" frequency which is the closest estimated population size noted above.

\* - During the test of controls, if a weakness of control is identified, i.e. an exception is noted, you must expand your test sample from 25 to 30. By doing so, you will determine whether this exception was an isolated incident or a weakness of control.

\*\* - During the test of controls, if a weakness of control is identified, i.e. an exception is noted, you must expand your test sample from 25 to 40. By doing so, you will determine whether this exception was an isolated incident or a weakness of control.

# Execute Tests (cont.)

- Describe test steps.
- Test steps should link directly to identified risks.
- Reference workpapers where detailed testing results are contained.
- If identified risks and associated controls are NOT tested, document why they were not tested, for example:
  - Risk is assessed as low.
  - Control has no impact on financial reporting (i.e., operational).

# Document Test Results – Test Leadsheet

- Purpose of test work papers:
  - Need to be able to reproduce test
  - Sufficiency of evidence
- As such, test leadsheet should include:
  - Sample size and selection method, including population
  - Procedures performed
  - Source of documentation
  - Definition of an exception
  - Results of test including exceptions identified

Test results should stand on their own, and a prudent person should be able to review and understand the results.

See Template 6

# Evaluate Results

- Types of results
  - No exception identified
  - Exception identified
- What is a control exception?
  - Control does not operate as intended.
- Evidence that a control is not operating as intended:
  - Not performed
  - Performed late or inaccurately
  - Control can be overridden.
  - Lack of evidence
  - Item could not be located.

# Investigating Control Exceptions

- All control exceptions should be investigated.
- Need to determine nature of control exception:
  - Is the exception pervasive or a one-time occurrence?
  - Does the exception apply to the whole population or particular departments?
  - When did the exception occur?
  - Is the exception a result of a performance issue or lack of documentation?
  - Is your understanding of the control correct?

# Options When Control Exceptions Found

- Extend testing (in anticipation of not finding another internal control exception)
- Consider whether a compensating control is available to test
- Deem the control ineffective



# Complete the Test Plan

After Testing:

- Results
- Conclusion
- Issue raised
- Test workpaper reference

# Financial Test Plan – Template 6

## EAGLE Program

Document:	Test Plan
Entity:	College Name
Reporting Date:	June 30, 2011
Fund:	
Financial Statement Account(s):	

Prepared by:	
Reviewed by:	

Significant Process	Process Risk Rating	Control Description	Control Ref. #	Objective of Test	Test Procedures	Complete after testing			
						Results	Conclusion	Issue Raised?	Test W/P Ref.
							<Select Answer>	<Select Answer>	
							<Select Answer>	<Select Answer>	
							<Select Answer>	<Select Answer>	
							<Select Answer>	<Select Answer>	

# Documenting Issues - How to Document

- Use an Issue Summary Template:
  - Observation
  - Implication
  - Recommendation
  - Management Response

# Financial Issue Summary Log – Template 7

Prepared by:	
Reviewed by (ICO and CFO):	

**EAGLE Program**  
Issue Summary Log  
*College Name*  
*June 30, 20XX*

Significant Process	Process Risk Rating	Control Description	Control Ref. #	Issue	Risk/Implication	Recommendation	Management's Response



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# EAGLE Training Program for Community Colleges

Section 5: Performance Measures

# Top-Down, Risk-Based Approach

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Template 01 –A	Assess risk at the financial statement account level.		Template 01 –B	Assess risk for the program/grant.	
	Assess risk at the financial statement process level.			Assess risk for each requirement.	
	Assess risk at the financial statement location level, if applicable.				
Risk Assertion Guidance	Review Financial Statement Assertions Guidance		Compliance Guidance	Review Compliance Internal Control Guidance	
Identify Controls					
Template 02	Narrative - Document the applicable processes/compliance requirements.				
Template 03	Walkthrough - Walk through the applicable processes/compliance requirements.				
Template 04	Service Provider/Reliance on Others - Identify and document reliance on others.				
Template 05	Risk and Control Matrix - Identify the “right” combination of controls.				
Evaluate and Execute					
Template 06	Test Plan - Determine the testing selections for applicable controls.				
Template 06	Test Leadsheet - Perform testing of selected controls.				
Template 07	Issue Summary Log - Document issues and management’s response.				
Performance Measures					
Template 08	General Accounting				
Template 09	Student Financial Aid				
Template 10	Federal Contracts & Grants				
Template 11	Procurement				
Internal Control Certification					
Internal Control Certification Letter Due 7/31/2011	Each president and chief financial officer shall annually certify, in a manner prescribed by the State Controller, that the college has in place a proper system of internal control.				

# Performance Measures

- Aid in the achievement of the organization's long-term objectives and missions.
- Tools used to assist organization to understand, manage, and improve operations.
  - Key Measures
  - Productivity Measures
  - Administrative Measure
  - Other Measures

# Performance Measures

- North Carolina Community College System's Core Indicators of Student Success.
  - Progress of Basic Skills Students
  - Passing Rates on Licensure and Certification Examinations
  - Performance of College Transfer Students
  - Passing Rates of Students in Development Courses
  - Success Rates of Development Students in Subsequent College-Level Courses
  - Satisfaction of Progress Completers and Non-Completers
  - Curriculum Student Retention, Graduation , and Transfer
  - Client Satisfaction with Customized Training



# Performance Measures

- General Accounting
- Student Financial Aid
- Federal Contracts & Grants
- Procurement

See Template 8

# Internal Control Certification – Due July 31, 2011

Each president and chief financial officer shall annually certify, in a manner prescribed by the State Controller, that the college has in place a proper system of internal control.



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# EAGLE Training Program for Community Colleges

Section 6: SharePoint Demo

# EAGLE SharePoint Site

- As risk assessment templates are completed, we recommend they be loaded into the EAGLE SharePoint Site.

<http://www.osc.nc.gov/eagle/index.html>



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# EAGLE Training Program for Community Colleges

Section 7: Wrap-up

# Review of Today's Webinar

- EAGLE Program
- Internal Control
- Identification of Risk
- Documentation and Controls
- Control Testing Theory and Strategy
- Performance Measures

# Things to Remember

- This is your assessment.
- You are not alone in this effort.
- Establish a time schedule to help you stay on track:

**\*\* Example - Recommendations only \*\***

- Completion of Risk Assessment – January 15, 2011
  - Completion of Documentation and Controls; Performance of Walkthroughs – March 31, 2011
  - Completion of Testing to Determine the Operating Effectiveness of Controls – June 30, 2011
  - Completion of Self-Assessment and Submission of Annual “Letter of Certification” – July 31, 2011
- The only deadline you need to remember is July 31, 2011.





# Where to go for Additional Assistance

- OSC's EAGLE Website

<http://www.osc.nc.gov>

- OSC EAGLE Support

Telephone: (919) 707-0795

Email: [OSC.EagleSupport@lists.osc.nc.gov](mailto:OSC.EagleSupport@lists.osc.nc.gov)



# THANK YOU!!